

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 01-0281

Sales Tax

For the Month of May 2001

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

ISSUE(S)

I. Tax Administration – Penalty – Insufficient Funds

Authority: IC 6-8.1-10-5

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer's representative, in a letter dated October 17, 2001, protests the penalty assessed because it believes the penalty to be unfair.

Taxpayer made a sales tax payment for the month of May 2001 that was returned by the bank for insufficient funds. The department imposed a ten- percent penalty as allowed under IC 6-8.2-10-5(a), which allows the taxpayer to make payment within ten days of the notice mailed. The taxpayer failed to make the payment within the ten (10) day period and the penalty was increased to one hundred percent (100%) multiplied by the unpaid tax, as allowed under (b) of the tax code listed above.

I. Tax Administration – Penalty

DISCUSSION

Taxpayer failed to make the tax payment plus ten-percent penalty within the time allowed under IC 6-8.1-10-5. The taxpayer failed to make the payment by the required due date and the penalty was increased to one hundred percent (100%) as allowed under (b) of IC 6-8.1-10-5.

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Taxpayer requests a waiver of penalties because it believes the penalty to be unfair.

The taxpayer failed to remit the tax due and has not provided reasonable cause for failure to do so.

FINDING

Taxpayer's protest is denied.

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